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HOUSE BILL 622

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; ENACTING THE GREEN JOBS BONDING ACT; PROVIDING FOR GREEN JOBS TRAINING PROGRAMS; CREATING A FUND; PROVIDING PROCEDURES FOR IMPLEMENTING GRANTS TO HIGHER EDUCATION INSTITUTIONS FOR GREEN JOBS TRAINING PROGRAMS; AUTHORIZING THE ISSUANCE OF GREEN JOBS REVENUE BONDS; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE.--Sections 1 through 8 of this act may be cited as the "Green Jobs Bonding Act".

Section 2. [NEW MATERIAL] DEFINITIONS.--As used in the Green Jobs Bonding Act:

A. "authority" means the New Mexico finance authority;

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- 1 B. "bonds" means green jobs revenue bonds;
2 C. "department" means the higher education
3 department;
4 D. "fund" means the green jobs bonding fund;
5 E. "green industries" means industries that
6 contribute directly to preserving or enhancing environmental
7 quality by reducing waste and pollution or producing
8 sustainable products using sustainable processes and materials
9 and that provide opportunities for advancement along a career
10 track of increasing skills and wages. Green industries
11 include:
12 (1) energy system retrofits to increase energy
13 efficiency and conservation;
14 (2) production and distribution of biofuels,
15 including vehicle retrofits for biofuels;
16 (3) building design and construction that meet
17 the equivalent of best available technology in energy and
18 environmental design standards;
19 (4) organic and community food production;
20 (5) manufacture of products from nontoxic,
21 environmentally certified or recycled materials;
22 (6) manufacture and production of sustainable
23 technologies, including solar panels, wind turbines and fuel
24 cells;
25 (7) solar technology installation and

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1 maintenance;

2 (8) recycling, green composting and
3 large-scale reuse of construction and demolition materials and
4 debris; and

5 (9) water retrofits to increase water
6 efficiency and conservation;

7 F. "green jobs training programs" means those
8 programs implemented by educational institutions related to
9 training individuals to work in green industries and to ensure
10 appropriate support services are provided;

11 G. "support services" means those services that
12 provide trainees with the opportunity to participate in green
13 jobs training programs, including:

14 (1) free child care;

15 (2) free tuition;

16 (3) free materials needed for training
17 programs;

18 (4) counseling and mentoring services;

19 (5) internships; or

20 (6) job placement programs; and

21 H. "target populations" means disadvantaged
22 individuals, including:

23 (1) low-income individuals;

24 (2) veterans;

25 (3) formerly incarcerated, nonviolent

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1 offenders;

2 (4) tribal and rural constituencies;

3 (5) workers adversely affected by changing
4 national or state energy policy;

5 (6) at-risk youth;

6 (7) unemployed youth and adults;

7 (8) high school dropouts; or

8 (9) single mothers.

9 Section 3. [NEW MATERIAL] STATE PLAN FOR GREEN JOBS
10 TRAINING PROGRAMS.--

11 A. The department shall develop a state plan for
12 the development of green jobs training programs with a focus on
13 rural and tribal communities no later than the end of fiscal
14 year 2010. The plan shall include a schedule for funding and
15 implementation that gives priority to programs directed at
16 target populations. The department shall develop the plan:

17 (1) for coordination of a state research
18 program with the workforce solutions department in which labor
19 market data shall be collected and analyzed to track workforce
20 trends from renewable energy and energy-efficiency industries
21 and energy-related initiatives;

22 (2) for a municipal and tribal energy training
23 partnership program in which the department shall award
24 competitive grants to higher education institutions in
25 partnerships with cities, towns, counties and tribes to

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1 administer green jobs training programs; and

2 (3) for a pathways out of poverty program in
3 which the department shall award competitive grants to higher
4 education institutions in partnerships to administer green jobs
5 training programs directed specifically at disadvantaged target
6 populations.

7 B. The plan shall be followed by interested higher
8 education institutions in New Mexico and institutions shall
9 cooperate with the department in the development and the
10 implementation of the plan.

11 Section 4. [NEW MATERIAL] GREEN JOBS BONDING FUND--
12 CREATED--PLEDGE OF MONEY IN THE FUND.--

13 A. The "green jobs bonding fund" is created as a
14 special fund within the authority. The fund shall be
15 administered by the authority as a special account. The fund
16 shall consist of gross receipts tax revenues distributed to the
17 fund by law, money transferred to the fund pursuant to the
18 provisions of the Green Jobs Bonding Act and other transfers
19 and appropriations made to the fund. Earnings of the fund
20 shall be credited to the fund. Balances in the fund at the end
21 of any fiscal year shall remain in the fund, except as provided
22 in this section.

23 B. Money in the fund shall be pledged irrevocably by
24 the authority for the payment of principal and interest on all
25 bonds issued pursuant to the Green Jobs Bonding Act. Money in

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1 the fund is appropriated to the authority for the purpose of
2 paying debt service, including redemption premiums on the bonds
3 and the expenses incurred in the issuance, payment and
4 administration of the bonds.

5 C. On the last day of January and July of each year,
6 the authority shall estimate the amount needed to make debt
7 service payments on the bonds issued pursuant to the Green Jobs
8 Bonding Act plus the amount that may be needed for any required
9 reserves, administrative expenses or the obligations coming due
10 during the next twelve months from the fund. The authority
11 shall transfer to the general fund any balance in the fund
12 above the estimated amounts. Amounts transferred to the
13 general fund may be appropriated by the legislature to the
14 department for the purposes of carrying out the provisions of
15 the Green Jobs Bonding Act.

16 D. Upon payment or defeasance of all principal,
17 interest and other expenses or obligations related to the
18 bonds, the authority shall certify to the higher education
19 department, the department of finance and administration and
20 the secretary of taxation and revenue that all obligations for
21 the bonds issued pursuant to the Green Jobs Bonding Act have
22 been discharged and shall direct that distributions cease to
23 the fund pursuant to that act and the Tax Administration Act.

24 E. The bonds issued pursuant to the Green Jobs
25 Bonding Act shall be payable solely from the fund or such other

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1 special funds that may be provided by law and do not create an
2 obligation or indebtedness of the state within the meaning of
3 any constitutional provision. A breach of any contractual
4 obligation incurred pursuant to the Green Jobs Bonding Act
5 shall not impose a pecuniary liability or a charge upon the
6 general credit or taxing power of the state, and the bonds are
7 not general obligations for which the state's full faith and
8 credit is pledged.

9 F. The state does hereby pledge that the fund shall
10 be used only for the purposes specified in this section and
11 pledged first to pay the debt service on the bonds issued
12 pursuant to the Green Jobs Bonding Act. The state further
13 pledges that any law authorizing the distribution of taxes or
14 other revenues to the fund or authorizing expenditures from the
15 fund shall not be amended or repealed or otherwise modified so
16 as to impair the bonds to which the fund is dedicated as
17 provided in this section.

18 Section 5. [NEW MATERIAL] GREEN JOBS BONDS AUTHORIZED--
19 CONDITIONS--PROCEDURE.--

20 A. The authority is authorized to issue and sell
21 from time to time revenue bonds, known as "green jobs bonds",
22 in an amount outstanding at any one time not to exceed twenty
23 million dollars (\$20,000,000), payable solely from the fund, in
24 compliance with the Green Jobs Bonding Act and the New Mexico
25 Finance Authority Act for the purpose of funding green jobs

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1 training programs when the department has certified the need
2 for the bonds.

3 B. The net proceeds from the bonds are appropriated
4 to the department for the purpose of making grants for the
5 administration of green jobs training programs pursuant to the
6 Green Jobs Bonding Act.

7 C. Each series of bonds shall be issued pursuant to
8 the provisions of the New Mexico Finance Authority Act, except
9 as otherwise provided in the Green Jobs Bonding Act.

10 Section 6. [NEW MATERIAL] GREEN JOBS BONDING ACT IS FULL
11 AUTHORITY FOR ISSUANCE OF BONDS--BONDS ARE LEGAL INVESTMENTS.--

12 A. The Green Jobs Bonding Act and the New Mexico
13 Finance Authority Act shall, without reference to any other act
14 of the legislature, be full authority for the issuance and sale
15 of bonds, which bonds shall have all the qualities of
16 investment securities under the Uniform Commercial Code and
17 shall not be invalid for any irregularity or defect or be
18 contestable in the hands of bona fide purchasers or holders
19 thereof for value.

20 B. Bonds are legal investments for any person or
21 board charged with the investment of any public funds and are
22 acceptable as security for any deposit of public money.

23 Section 7. [NEW MATERIAL] BONDS TAX EXEMPT.--All bonds
24 shall be exempt from taxation by the state or any of its
25 political subdivisions.

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1 Section 8. [NEW MATERIAL] ANNUAL REPORT REQUIRED.--No
2 later than December 1 of each year, the department shall report
3 to the legislature and to the governor on its activities during
4 the previous fiscal year in administering the provisions of the
5 Green Jobs Bonding Act. The report shall include:

6 A. details concerning all grants made for the
7 administration of green jobs training programs;

8 B. details concerning all expenditures made in
9 administering the provisions of the Green Jobs Bonding Act;

10 C. a list of all higher education institutions in
11 which green jobs training programs were developed and funded;

12 D. an analysis of whether the green jobs training
13 programs have been cost-effective;

14 E. a report showing progress made in complying with
15 the state plan developed pursuant to Section 3 of the Green
16 Jobs Bonding Act, and, if in noncompliance, a plan for
17 achieving compliance in the future;

18 F. a summary of activities being conducted during
19 the present fiscal year; and

20 G. any additional information that will assist the
21 legislature and the governor in evaluating the program.

22 Section 9. A new section of the Tax Administration Act is
23 enacted to read:

24 "[NEW MATERIAL] DISTRIBUTION--GREEN JOBS BONDING FUND--
25 GROSS RECEIPTS TAX.--A distribution pursuant to Section 7-1-6.1
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1 NMSA 1978 shall be made to the green jobs bonding fund from the
2 net receipts attributable to the gross receipts tax imposed by
3 the Gross Receipts and Compensating Tax Act in an amount
4 necessary to make the required bond debt service payments
5 pursuant to the Green Jobs Bonding Act as determined by the New
6 Mexico finance authority. The distribution shall be made:

7 A. after the required distribution pursuant to
8 Section 7-1-6.4 NMSA 1978;

9 B. contemporaneously with other distributions of net
10 receipts attributable to the gross receipts tax for payment of
11 debt service on outstanding bonds or to a fund dedicated for
12 that purpose; and

13 C. prior to any other distribution of net receipts
14 attributable to the gross receipts tax."

15 Section 10. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2009.